

APPENDIX

New Jersey Council of County Vocational-Technical Schools

Joint Committee on the Public Schools – Subcommittee on School Facilities
Testimony Presented by Judy Savage, NJCCVTS Executive Director
December 3, 2008

Good afternoon, members of the Joint Committee. Thank you for your continued focus on this critical issue and for the opportunity to speak today about the facilities needs of county vocational schools. On behalf of the NJ's 21 county vocational-technical school districts, I thank you for your ongoing support of career and technical education and your interest in visiting one of our county vocational schools in the near future.

County vocational schools were allocated \$100 million from the first round of funding. County vocational schools have a different process through freeholders and board of school estimate – this set aside was intended to ensure that vocational schools were not left out. It was not intended to limit them to an inadequate amount.

Most of this funding was committed by May 2004, and at that point, the Department of Education cut off grant funding for all further county vocational-technical school projects. Seven of 21 counties had received little or no funding through the program. Funding for Abbott and non-Abbott districts continued to flow for several years after that.

This has limited the ability of many counties to address workforce development and educational needs. As you heard from the Essex County executive, the need is especially great in urban counties, where the vocational school facilities are outdated and overcrowded, and many Abbott students seeking educational and job training opportunities must be turned away due to lack of space. The Council concurs with the Essex County Executive that we must address the disparity in school facilities funding between Abbott/SDA districts and the urban vocational schools who serve the students from these districts.

The county vocational schools were extremely disappointed that the new school construction law introduced and moved last June set aside just \$50 million for county vocational schools. We recognize that the overall amount of funding was limited and not all important needs could be addressed. But when you think about \$50 million to be shared among 21 county vocational school districts, the inadequacy is obvious. The amount for 21 regional county vocational districts serving 29,000 high school students and thousands more adults in the evenings is **substantially less** than the amount spent to build this one beautiful high school.

The language and structure of the set aside for vocational schools in Chapter 39 is quite different than the language in the original law, but we were concerned that the \$50 million would again be interpreted as a limit. I spoke to many legislators during that frantic week of June and at the one testimony session I asked the Senate Appropriations Committee to eliminate the set aside so that the \$50 million would not be construed as a limit – one that we know is inadequate from the

start. Although the priority criteria would have to be different, we recommended that county vocational schools be considered alongside the RODS for facilities funding.

Although the language in the bill is ambiguous, the Department of Education is considering the \$50 million to be a limit on the amount of funding for county vocational school projects. Recognizing the inadequacy of this amount, DOE is promulgating regulations that will limit the types of vocational school projects eligible for funding.

Under the draft rules shared with us last month, county vocational schools have only 2 priority levels, not three like the other RODS. Level 1 is for health/safety, maintenance and other critical projects, similar to regular districts. Level 2 is for upgrades or expansion of vocational classrooms to accommodate new career programs or keep existing programs current with industry standards.

Unlike RODS, county vocational schools have no Level 3 for new construction. There are no provisions to expand county vocational schools to address unmet demand – our version of unhoused students. There is no provision to help districts convert from shared-time to full-time, which requires either new construction or significant expansion to provide academic classrooms, gymnasium and other essential elements. There is no recognition of the facility changes needed to integrate academic and technical learning as required by the Perkins law and proposed increases in high school graduation requirements.

We raised these concerns with Department of Education's Chief of Staff. They were acknowledged as legitimate, but DOE is concerned that opening the door to larger projects will result in a few districts tapping all of the available funds, which would be unfortunate. That is indeed possible, but the Solomon-like decision to curtail what can be funded in an effort to spread the money further is also unsatisfactory.

We would recommend that the Legislature take another look at the law. If you did not intend to limit 21 county vocational school districts to a total of \$50 million, then this provision should be clarified so that the intent is clear. You may also want to consider a provision that would allow districts to use a hybrid of funding – a grant for part of the cost of a project, plus debt service for the remainder of the cost. This might provide an incentive vocational and regular operating districts to address longstanding needs in uncertain times.

Thank you for the opportunity to speak today and for your continued support of the school construction process. We recognize that the available funding is not sufficient to address the many critical needs throughout the state. As New Jersey grapples with an uncertain economy, we ask you to consider the substantial returns from an investment in county vocational school facilities. Students throughout the region benefit from educational options and the chance to prepare for college and a career. Employers profit from partnerships that provide a steady supply of well-prepared workers, helping our statewide and regional economies to grow. And taxpayers benefit from the cost efficiencies inherent in providing specialized programs on a regional basis.

**Submitted by Karen Thomas Marion P. Thomas Charter School**

Newark, New Jersey

December 3, 2008

Good afternoon, I am Karen Thomas, a kid who grew up in Newark, and is now an advocate for kids from Newark. I am a long-time member of New Hope Baptist Church here in the City, former business owner in Newark, and currently CEO of Marion P. Thomas Charter School in Newark. My school is a community-supported initiative of The New Hope Baptist Church which has been active in this community for over 105 years. Many of the operating charter schools in the state have also been the outgrowth of support from faith-based organizations like Bethany Baptist, WISSOM, and strong community organizations such as New Community Corporation and The North Ward Center. They have spent millions to support the charter school movement.

Clearly there is a strong community interest and support for the charter school movement among your constituents. These organizations have provided millions of dollars in much needed facilities support to charters. Without it, many of our schools would not have opened or been sustainable. Based upon that level of support for the charter movement, I would think that the legislative bodies that represent these same constituents would become advocates for facilities funding for charter schools. These organizations have set a tremendous leadership example that should be followed by the state with equity in facilities funding for charters.

The original plan for Marion P. Thomas Charter School was to open in 1998 upon receiving approval of the charter. However, facilities challenges delayed the opening until 1999 when the school opened in the North ward in a 4 classroom preschool building that we renovated at a cost of almost \$100,000. Having outgrown that building within the first year, the school then moved to a Central Ward facility located in the Hopewell Baptist Church. This site was an old Hebrew School that had not been used in more than 40 years. Once again, the school had to take over \$250,000 from our operating budget to pay for renovations. Outgrowing that facility, in 2005 the school moved to 370 S. 7th St. the site of the former CHAD School. The building which was a high school had to be converted from a high school to an elementary school facility at a cost of over \$250,000 to meet our needs. Our only other option would have been to close.

We have spent more than \$1,000,000 for improvements and rent to properties now vacated by MPTCS. Each move has caused a shift in the student population which has affected enrollment and school wide student achievement as well as the inability to meet the 60% educational expenditure mandate. Had there been facilities funding as part of the original charter legislation, we could have spent that same \$1,000,000 in direct educational expenditures for our children.

Elected officials such as Mayor Booker and The Newark City Council have worked with charter schools to attempt to address the facilities challenges in the City. They have



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identified space within existing school buildings or vacant parcels of land to be developed into usable space. In addition, organizations such as READS (Real Estate Advisory Development Services has created financing partnerships with New Jersey Community Capital, Prudential and The Reinvestment Fund to assist with facilities needs across the state.

As a result, in addition to providing quality education, charter schools are helping to develop the communities our elected officials serve.

It seems to me that with this level of commitment to both education and developing communities that your constituents are putting their money where their mouth is. The New Jersey legislature should not only be following their lead, but leading the charge.

This goes to the heart of school funding inequity issues and to the Charter School Act of 1995. This is the very law that created charter public schools as engines of educational innovation that would spur achievement, especially in cities where schoolchildren were most in need of educational opportunities. The legislative intent of this law was to improve student learning by expanding educational choices and innovative learning environments in exchange for increased accountability. The law also said charter schools would receive only 90 percent of what the traditional public school district would have spent on that child if the child had not enrolled in the charter schools.

How can we have a statewide system where dedicated educators lead students to achieve academically despite great odds, and where thousands of children are on waiting lists to get the kind of educational opportunity that charters provide and yet not provide facilities to house this remarkable pursuit of excellence?

There is nothing wrong with the way charter schools operate, but something terribly wrong with the way public charter education is funded in our state. Charter schools are focused on reaching children in dire need of an educational opportunity. New Jersey must fulfill its moral obligation and constitutional imperative... Equity. Operating on a fraction of what their peer districts spend, charter schools are being forced to make painful decisions about what they are able to fund. It is a dangerous triage with our children's education. This can't be what legislators intended when they brought charter schools into existence. Ultimately, the state charter school law must be changed to address the glaring inequity under which charter schools must pay for facilities out of their operating budgets.

Under the new school funding formula recently signed into law by Governor Corzine, it looks like charter schools will receive some additional operating funds. However the rising cost of operating facilities will continue to have a neutralizing affect on the increase. But charter schools continue to be deprived of facilities funding that all other public schools receive in the state. Unlike traditional public schools, charter schools are forced to use per-pupil operational funding to lease, purchase or renovate their buildings,

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thereby reducing the amount available for classroom needs, innovative programs and supplemental services.

Charters schools must have financial support for facility acquisition. There are two ways we can do this:

- By providing free money at the same terms that is provided to other public school districts in New Jersey or
- By supporting organizations such as Real Estate Advisory Development Services that has undertaken and completed more charter school projects in New Jersey than any other organization in the country. Provide them with the money they need to build their capacity to support charter school facilities projects.

Free money would of course be the best thing. The fact that charter schools, especially those in Abbott districts, continue to be excluded from facility support is incomprehensible to our families and staff and this is discriminatory public policy. It excludes charters from equal access to resources available to district schools, and distorts the market by inflating school renovation and construction prices, making it even more difficult for charters to pay for facilities or renovations.

In the absence of free money, supporting third party resources such as READS or New Jersey Community Capital is the next best thing. They have invested enormously in New Jersey's charter schools and have successfully leveraged its resources by partnering with other organizations.

The issue rests in the hands of our legislators, who have the power and obligation to correct this injustice. Let's fix the unbalanced equation and equally address the needs of charter school children and their traditional public school peers throughout New Jersey.

Thank you on behalf of the thousands of children in this state who attend charters, the thousands who are on our waiting lists and their families.

Testimony to the Joint Committee on the Public Schools - Subcommittee on School Facilities and Construction, December 3, 2008

Submitted by Ben Cope on behalf of TEAM Academy Charter School

Good morning, members of the Joint Committee on the Public Schools. Thank you for this opportunity to present on behalf of TEAM Academy Charter School and public charter schools throughout New Jersey.

My name is Ben Cope, and I am the Director of External Relations for TEAM Academy Charter School, which operates three campuses serving over 750 students here in Newark in grades 5-10. I am here on behalf of Ryan Hill, TEAM's founder and Executive Director and on behalf of our 750 students and over 100 staff members.

Back in September of 2002, a ten year old girl from Newark named Kinyette climbed the steps to TEAM Academy for the first time. The school had recently opened on the top floor of a somewhat run-down former parochial school in Newark's South Ward. What the facility lacked in grandeur, the fledging charter seemed to make up for in promise. The teachers had visited every home of every student before the school year and explained that the expectations would be exceptionally rigorous, and that their goal was for every student to go on to college in the year 2010.

That first year, Kinyette and her 79 classmates made extraordinary progress in spite of studying in classrooms where the wind sometimes pushed right through the windows in the wintertime. And where, when it rained, there were more buckets than desktops. They studied, ate lunch, met as a school and bonded as a TEAM on one narrow hallway. There was no gym that first year, no cafeteria, nothing really but desks and blackboards in a few sparse, cold classrooms.

Four years later, the struggle and perseverance had paid off. Their class climbed from the 21st percentile to the 73rd percentile in reading and from the 31st percentile to the 91st percentile in math on the nationally-normed SAT-10, closing the achievement gap in four years of middle school while many of their peers fell farther behind. They earned over \$600,000 in scholarships to attend some of the top boarding, private and parochial high schools in the northeast and here in Newark.

Today, Kinyette is a junior at St. George's in Newport, Rhode Island. When I went to visit her a year ago I was blown away. From these leaky classrooms on the south side of Newark, Kinyette had fought her way onto a grassy hilltop overlooking the ocean at a boarding school that cost over \$30,000 a year. She had earned a full scholarship, was acing her classes and starring on the track team. And today she is planning on applying to Brown University, Amherst, and NYU among others.

This is Kinyette's story, and the story of hundreds of Newark students who are attending some of the most academically rigorous public charter schools in the nation, right here in Newark. They are reversing the achievement gap, defying the odds and laying the groundwork for thousands more young people from Newark and cities like Newark to follow in their path.

Despite the tremendous promise of the paths these young people have chosen, TEAM Academy faces daunting challenges finding and paying for the buildings we need in order to provide more seats to Newark children. And TEAM Academy spends significant funds on the financing costs of its existing facilities, which could be far better spent on educating children.

We started off in 2002 in a space that was inadequate for educating students because as a charter school we received no funding for facilities and had to scrimp what funds we could from our operating budget to rent the top floor at 85 Custer Avenue. As we grew larger, we were able to purchase the entire building with financing from Prudential Financial's Social Investment Group and LISC Newark. A few years later, we replicated the success of our first campus with a second and a new founding class of students at the Rise Academy campus followed in the footsteps

of Kinyette and her founding class at TEAM. We purchased and renovated a second school building with financing from New Jersey Community Capital, Prudential, and Community Reinvestment Fund. Rise Academy has since become one of the most highly regarded KIPP campuses in the country. However, the process of acquiring and renovating both buildings required tremendous amounts of staff time and millions of dollars in fundraising. All of this facility and fundraising work pulls us away from our core mission of educating children.

The resulting debt also takes much needed dollars away from serving our students. We currently spend between \$1,500 and \$1,600 per pupil, per year in operating funds to pay down interest and principal on the financing for the Rise and TEAM facilities. That is \$600,000 per year, per school that we could spend making our teachers' work weeks more sustainable, hiring more teachers, hiring more social workers, buying more books, or supporting our alumni in high school and college. It amounts to \$600,000 per year, per site that could be spent to continue improving on one of the most successful educational models in the nation. Instead it pays for bricks and mortar.

However, an even greater challenge lies ahead. We are currently looking for permanent homes for our high school, which currently shares space with a traditional public school, and the two elementary schools we plan to open in the next two years. We currently have over 1,000 students on our waitlist and more students applying each day. And we have seen the promise of elementary schools in Houston where the first KIPP elementary school has its second graders outperforming most of the city's fifth graders. So we have a great sense of urgency about the need to grow both because we wish to meet the demand for more seats and because we believe it is imperative that we provide our students with the best possible education all the way from kindergarten through twelfth grade.

In the past, we were fortunate to find former parochial school buildings for sale at relatively reasonable prices. Although the buildings were not in good shape when we first moved in, they were affordable given the resources available from financing and fundraising. Over the past few years, we have spent hundreds of hours exploring facilities options in Newark and know that there are few suitable, inexpensive options available. Of the options that we have seen, we know that for an elementary school or high school serving 600 students:

- Renovating a non-school facility will likely cost over \$20 million
- Building a new school from the ground up would, at a minimum, cost \$35 million

That is many times the cost of our two current facilities which were purchased and renovated for less than \$7 million each.

We are forced to consider these more expensive options, because of a challenging real estate market for suitable school sites in Newark. As a result, in order to successfully put our schools in new homes in the next few years, we will need to identify millions of dollars in financing and fundraising. We are currently working with a capital campaign consultant, facility finance experts, developers, and a variety of potential low-interest lenders to try to identify how we will finance and raise the necessary funds, but we face a tight credit market and an extremely challenging fundraising climate. Although we have successfully raised the funds we needed to close our annual operating gap over the past few years, the challenge of raising tens of millions of dollars for facilities is a daunting one, and one that may prove impossible in this economy. If we cannot raise the funds, we cannot open more schools and we cannot offer more children in Newark a path to college.

It would be a shame to let bricks and mortar stand in the way of a brighter future for thousands of young Newarkers and thousands of young people around New Jersey.

There are a number of things the state could do to help ensure we can provide these opportunities to more children:

1. Provide the same funding for charter school facilities that traditional public schools receive.
2. Provide loan guarantees for charter schools to help bring lenders to the table and to reduce the cost of borrowing.
3. Provide support to community development financial institutions, such as New Jersey Community Capital, to build their capacity to support charter school facility projects.

Helping to eliminate the barriers to affordable school facilities for charters is one of the most effective actions the state can take to help us extend these extraordinary educational opportunities to more students.

Thank you.